



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

M/037/038

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August 2, 1995

Mr. Roger B. Smith
Manager of Mining Operations
Energy Fuels Nuclear, Incorporated
2555 North Highway 89A
HC 64, Box 152
Fredonia, Arizona 86022

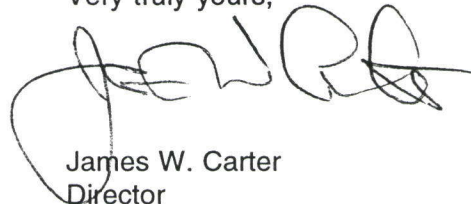
Re: Surety Bond Reduction, Energy Fuels Nuclear, Inc., Repete & Lee Mines, M/037/038, San Juan County, Utah

Dear Mr. Smith:

This letter is forwarded in response to your more recent request for a reduction in the amount of reclamation surety for the reclaimed Repete and Lee uranium mines located in San Juan County, Utah. In recognition of the reclamation performed on these mine sites and recommendations based upon onsite inspections conducted by the Bureau of Land Management and Division, we hereby authorize you to reduce the existing \$10,386 surety bond amount to \$1206. We will need to retain \$1206 of the surety amount to cover supplemental reseeding costs should the previous seeding prove unsuccessful. A revised reclamation surety estimate is attached for your reference.

You may notify your surety company that they may reduce the required surety amount to \$1206. This may be accomplished by issuing a rider to the existing surety bond, or by submitting an alternate form of replacement reclamation surety. We will need to conduct another site inspection to determine revegetation success sometime in the spring of 1996. Final release of the remaining reclamation surety amount will be determined at that time. Please contact Wayne Hedberg or Tony Gallegos of the Minerals Staff if you have additional questions or concerns in this regard.

Very truly yours,



James W. Carter
Director

jb
Attachment
cc: Ted McDougal, San Juan RA
Minerals staff (route)
M037038.bnd

RECLAMATION ESTIMATE

Energy Fuels Nuclear, Incorporated

last revision

08/02/95

Repete & Lee Mine sites

filename M37-38.WB2

page "ESTIMATE"

M/037/038

Grand County

Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation

- This estimate is a reformatted version of the March 21, 1979 DOGM estimate
- This estimate does not revise any of the original estimate costs
- The plan included: sealing 3 inclines, removal of structures & equipment, removal of trash & debris, regrading of spoil piles, scarification & seeding of disturbances, supervisor labor, removal of hazardous substances, reseeding & monitoring if necessary
- Portal areas #1 & #2 at the Repete Mine are on Navajo Indian Reservation lands
- Portal #2 & access to the portal/pad are on BLM lands
- The majority of the Lee Mine is split estate with private surface & federal mineral rights
- A majority of the reclamation was completed in July-August 1993
- The shaded lines indicate work which has been completed & funds which can be released
- A final inspection to evaluate revegetation success needs to be performed Spring 1996
- Estimated total disturbed area for the Repete & Lee Mine sites = 6.0

Activity	Quantity	Units	\$/unit	\$
Removal of structures & equipment	1	lump sum	500.00	500
Removal of trash & debris	1	lump sum	500.00	500
Leveling pads & roads	included in haulage & grading line item			0
Haulage & grading of spoils & waste	20	hours	85	1,700
Recontouring highwalls & excavations	included in haulage & grading line item			0
Spreading soil materials	included in haulage & grading line item			0
Soil fertilization, scarification, etc.	6.0	acres	25	150
Seeding or planting	6.0	acres	150	900
Constructing terraces, water bars, etc.	0.0	acres	0	0
Supervision	20.0	hours	10	0
Labor exclusive of bulldozer time	0.0	hours	0	0
Erection of fences, portal coverings, etc.	3.0	portals	1000	3,000
Removal or neutralization of hazardous mtl.	1.0	lump sum	100	100
Reseeding of 6 acres	6.0	acres	150	900
Subtotal				7,750
5% inflation for 6 years (CAF =1.3401)				2,636
Total in 1985-\$				\$10,386

Amount of surety which can be released now (shaded items + inflation) **\$9,180**

Amount of surety which needs to be retained until final release **\$1,206**

REPETE & LEE MINE SITE

Average cost per acre retained = \$201